

MONTHLY OPERATING REPORT

CHAPTER 11

CASE NAME: WAREHOUSE 86, LLCCASE NUMBER: 08-03423-EE For Period NOVEMBER 1 to NOVEMBER 30, 2010.

THIS REPORT IS DUE 15 DAYS AFTER THE END OF THE MONTH. The debtor must attach each of the following forms unless the United States Trustee has waived the requirement in writing. File with the court and submit a paper copy to UST with an original signature.

Form Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
(mark only one - attached or waived)		
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Comparative Balance Sheet (FORM 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Profit and Loss Statement (FORM 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Cash Receipts & Disbursements Statement (FORM 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Supporting Schedules (FORM 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Narrative (FORM 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Copies of Bank Statement(s) and Reconciliations of Bank Balance to Book Balance for all Account(s)

I declare under penalty of perjury that the following Monthly Operating Report and any attachments thereto, are true and correct to the best of my knowledge and belief.

Executed on: 02/02/11
(date)

Debtor(s)*: WAREHOUSE 86, LLC

By:**

Position: CHAPTER 11 TRUSTEE

Name of preparer: KIMBERLY R. LENTZ

Telephone No. of Preparer 228-867-6050

* both debtors must sign if a joint petition

** for corporate or partnership debtor

CASE NAME: WAREHOUSE 86. LLCCASE NUMBER: 08-03423-EE

COMPARATIVE BALANCE SHEET

Filing
DateASSETS:CURRENT ASSETS:

Cash.....

Accounts Receivable, Net.....

Inventory, at lower of cost or market.....

Prepaid expenses & deposits.....

Other

TOTAL CURRENT ASSETS.....

PROPERTY, PLANT & EQUIPMENT.....

Less accumulated depreciation.....

NET PROPERTY, PLANT & EQUIPMENT.....

OTHER ASSETSINTEREST IN INC. BUSINESSINSURANCE CLAIM FOR TORNADO & FIREREGISTERED NAME, CUSTOMERS LISTS(UNKNOWN)TOTAL OTHER ASSETS.....TOTAL ASSETS.....

	Month	Month	Month	Month	Month	Month	Month
	JUNE 10	JULY 10	AUGUST 10	SEPTEMBER 10	OCTOBER 10	NOVEMBER 10	
11/04/08							
89,361	35,509	34,860	34,862	34863	32,807	32806	
152,270	611	611	611	611	0.00	0.00	
73,633	0	0	0	0	0	0	
68,702	61,297	61,297	61,297	61,297	61,297	0	
383,966	97,417	96,798	96,770	96,771	93,329	32806	
2,178,073	0	0	0	0	0	0	
-1,124,978	0	0	0	0	0	0	
1,053,096	0	0	0	0	0	0	
6,573	0	0	0	0	0	0	
6,573	0	0	0	0	0	0	
1,443,634	97,417	96,768	96,770	96,771	93,329	32806	

If assets are carried at historical cost on debtor's accounting records and debtor elects to show them as such on the monthly reports, note the change above and include remarks on FORM 2-F (Narrative). All subsequent reports must then carry these assets at that value. Do not use historical cost one month and fair market value the next.

*This is a corrected number to reflect that the pre-petition retainer of \$35,000 should have properly been shown as a pre-petition legal expense since there was no balance as of the date of the filing of the bankruptcy petition.

**This number does not include \$1,117,225.84, the estimated reduction due to the tornado/fire.

CASE NAME: WAREHOUSE 86, LLCCASE NUMBER: 08-03423 EE

COMPARATIVE BALANCE SHEET

Filing Date	Month	Month	Month	Month	Month	Month
11/04/08	JUNE 10	JULY 10	AUGUST 10	SEPTEMBER 10	OCTOBER 10	NOVEMBER 10
1,264,902	3,732	3,732	3,732	3,732	3,732	3,732
9,000	9,000	9,000	9,000	9,000	9,000	9,000
2,562,082	2,516,413	2,516,413	2,516,413	2,516,413	2,516,413	2,516,413
19,000	19,000	19,000	19,000	19,000	19,000	19,000
3,854,984	2,548,145	2,548,145	2,548,145	2,548,145	2,548,145	2,548,145
(2,411,350)	(2,411,350)	(2,411,350)	(2,411,350)	(2,411,350)	(2,411,350)	(2,411,350)
	(39,378)	(40,027)	(40,026)	(40,024)	(40,024)	(40,024)
(2,411,350)	(2,450,728)	(2,451,377)	(2,451,376)	(2,451,374)	(2,451,374)	(2,451,374)
1,443,634	97,417	96,768	96,769	96,771	96,771	96,771

* Reflects disputed insurance charge - Reconciled June 2009

** Reflects payment of utility charges and insurance premiums pursuant to court order

***Reflects updated November pre and post petition liability balances due to final reconciliation.

Post-Petition payables applied to pre-petition in April 2009

****This reflects a change to move a \$35,000 pre-petition retainer that should have been a pre-petition legal expense.

CASE NAME: WAREHOUSE 86, LLC

CASE NUMBER: 08-03423-EE

PROFIT AND LOSS STATEMENT

	Month JUNE 10	Month JULY 10	Month AUGUST 10	Month SEPTEMBER 10	Month OCTOBER 10	Month NOVEMBER 10
NET REVENUE.....						
<u>COST OF GOODS SOLD:</u>						
Material.....						
Labor - Direct.....						
Manufacturing Overhead.....						
TOTAL COST OF GOODS SOLD:.....						
GROSS PROFIT:.....						
<u>OPERATING EXPENSES:</u>						
Selling and Marketing.....						
General and Administrative (rents, utilities, salaries, etc.).....	40,331	650	0	0	0	24
Other.....						
TOTAL OPERATING EXPENSES.....	40,331	650	0	0	0	24
INTEREST EXPENSE.....	(2)	(1)	(1)	(1)	(1)	(1)
INCOME BEFORE DEPRECIATION OR TAXES:.....	(40,329)	(649)	1	1	1	(23)
DEPRECIATION OR AMORTIZATION.....						
EXTRAORDINARY EXPENSES *.....						
<u>INCOME TAX EXPENSE (BENEFIT).....</u>						
NET INCOME (LOSS).....	(40329)	(649)	1	1	1	(23)

*Requires explanation in NARRATIVE (Form 2-F)

CASE NAME: WAREHOUSE 86, LLCCASE NUMBER: 08-03423-EE**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**For Period NOVEMBER 1 to NOVEMBER 30, 2010**CASH RECONCILIATION**

- | | |
|--|--------------------|
| 1. Beginning Cash Balance (Ending Cash Balance from last month's report) | \$ <u>32,806</u> |
| 2. Cash Receipts (total Cash Receipts from page 2 of all FORM 2-D's) | \$ <u>1</u> |
| 3. Cash Disbursements (total Cash Disbursements from page 3 of all FORM 2-D's) | \$ <u>(10,000)</u> |
| 4. Net Cash Flow | \$ <u>22,807</u> |
| 5. Ending Cash Balance (to FORM 2-B) | \$ <u>22,807</u> |

CASH SUMMARY - ENDING BALANCE

	<u>Amount*</u>	<u>Financial Institution</u>
1. Real Estate Account	\$ _____	_____
2. Trust Account	\$ _____	_____
3. Operating and/or Personal Account	\$ <u>22,807</u>	<u>BANK OF AMERICA</u>
4. Payroll Account	\$ _____	_____
5. Tax Account	\$ _____	_____
6. Other Accounts (Specify checking or savings)	\$ _____	_____
7. Cash Collateral Account	\$ _____	_____
8. Petty Cash	\$ _____	_____
TOTAL (must agree with line 5 above)		\$ <u>22,807</u>

*These amounts should be equal to the previous month's balance for the account plus this month's receipts less this month's disbursements.

ADJUSTED CASH DISBURSEMENTS

Cash disbursements on Line 3 above less 10,000 *
inter-account transfers & UST fees paid \$

* NOTE: This amount should be used to determine UST quarterly fees due and agree with Form 2-D, page 2 of 4.

CASE NAME: WAREHOUSE 86, LLCCASE NUMBER: 08-03423-EE**QUARTERLY FEE SUMMARY**MONTH ENDED NOVEMBER 2010

Payment Date	Cash Disbursements *	Quarterly Fee Due	Check No.	Date
January	\$ <u>36,540.00</u>			
February	\$ <u>40.00</u>			
March	\$ <u>27.00</u>			
Total				
1st Quarter	\$ <u>36,607.00</u>	\$ <u>650.00</u>	<u>20103</u>	<u>04/22/10</u>
April	\$ <u>107.00</u>			
May	\$ <u>1.00</u>			
June	\$ <u>35,584.00</u>			
Total			<u>600001</u>	<u>07/16/10</u>
2nd Quarter	\$ <u>35,692.00</u>	\$ <u>650.00</u>	<u>600002</u>	<u>07/17/10</u>
July	\$ <u>0.00</u>			
August	\$ <u>0.00</u>			
September	\$ <u>0.00</u>			
Total				
3rd Quarter	\$ <u>0.00</u>	\$ <u>325.00</u>	<u>600004</u>	<u>10/14/10</u>
October	\$ <u>1,732.00</u>			
November	\$ <u>10,000</u>			
December	\$ <u></u>			
Total				
4th Quarter	\$ <u></u>	\$ <u></u>		

DISBURSEMENT CATEGORY QUARTERLY FEE DUE

\$0 to \$14,999.99	\$325
\$15,000 to \$74,999.99	\$650
\$75,000 to \$149,999.99	\$975
\$150,000 to \$224,999.99	\$1,625
\$225,000 to \$299,999.99	\$1,950
\$300,000 to \$999,999.99	\$4,875
\$1,000,000 to \$1,999,999.99	\$6,500
\$2,000,000 to \$2,999,999.99	\$9,750
\$3,000,000 to \$4,999,999.99	\$10,400
\$5,000,000 to \$14,999,999.99	\$13,000
\$15,000,000 to \$29,999,999.99	\$20,000
\$30,000,000 or more	\$30,000

Note that a minimum payment of \$325 is due each quarter even if no disbursements are made in the case during the period.

* Note: should agree with "adjusted cash disbursements" at bottom of Form 2-D, Page 1 of 4. Disbursements are net of transfers to other debtor in possession bank accounts and net of payments of prior period quarterly fees.

CASE NAME: WAREHOUSE 86, LLCCASE NUMBER: 08-03423-EE**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

(This form should be completed for each type of account listed on page 1 of FORM 2-D that the debtor maintained during the month.)

For Period NOVEMBER 1 to NOVEMBER 30 2010Account Name: DIP - MM Account Number: 3755555454**CASH RECEIPTS JOURNAL**

(attach additional sheets as necessary)

<u>Date</u>	<u>Description (Source)</u>	<u>Amount</u>
11/30/10	INTEREST	1.00

Total Cash Receipts \$ 1.00

CASE NAME: WAREHOUSE 86, LLCCASE NUMBER: 08-03423-EE**CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

(This form should be completed for each type of account listed on page 1 of FORM 2-D that the debtor maintained during the month.)

For Period NOVEMBER 1 to NOVEMBER 30, 20 10Account Name: DIP - MM Account Number: 375555454**CASH DISBURSEMENTS JOURNAL**
(attach additional sheets as necessary)

Date	Check No.	Payee	Description (Purpose)*	Amount
11/18/10	1001	ERIC EILERSTEN	INSURANCE PROCEEDS	\$10,000.00

Total Cash Disbursements \$ 10,000.00

*Identify any payments to professionals, owners, partners, shareholders, officers, directors or any insiders and all adequate protection payments ordered by the court with an asterisk or highlighting. Any payments made as a result of a court order, should indicate the order date.

CASE NAME: WAREHOUSE 86, LLC CASE NUMBER: 08-03423-EE

SUPPORTING SCHEDULES

For Period NOVEMBER 1 to NOVEMBER 30, 2010

INSURANCE SCHEDULE

<u>Type</u>	<u>Carrier/Agent</u>	<u>Coverage (\$)</u>	<u>Date of Expiration</u>	<u>Premium Paid</u>
Workers' Compensation	<u>N/A</u>	<u></u>	<u></u>	<u></u>
General Liability	<u>N/A</u>	<u></u>	<u></u>	<u></u>
Property (Fire, Theft)	<u>N/A</u>	<u></u>	<u></u>	<u></u>
Vehicle	<u>N/A</u>	<u></u>	<u></u>	<u></u>
Other (list):				
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
<u></u>	<u></u>	<u></u>	<u></u>	<u></u>

(1) Attach copy of certificate of insurance or declaration page of policy for any coverage renewed or replaced during the current reporting month.

(2) For the premium paid column enter "yes" if payment of premium is current or "no" if premium payment is delinquent. If "no", explain on Form 2-F, Narrative.

CASE NAME: WAREHOUSE 86, LLC CASE NUMBER: 08-03423-EE

NARRATIVE STATEMENT

For Period NOVEMBER 1 to NOVEMBER 30, 2010

Please provide a brief description of the significant business and legal action by the debtor, its creditors or the court during the reporting period. Comments should include any change in bank accounts, explanation of extraordinary expenses, and purpose of any new post-petition financing. Comments should also include debtor's efforts during the month to rehabilitate the business and to develop a plan.

NO ACTIVITY

**Bank of America**

CUSTOMER CONNECTION
BANK OF AMERICA, N.A.
DALLAS, TEXAS 75283-2406

Account Number 3755555454
01 01 149 01 M0000 E# 0
Last Statement: 10/29/2010
This Statement: 11/30/2010



NX 0000 01 000 821 019682 #001 BP 0.357
WAREHOUSE 86 LLC
DEBTOR IN POSSESSION #08-03423
MMS ACCOUNT
PO BOX 16692
JACKSON MS 39236

Customer Service
1-877-757-8233

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Bankruptcy Case Number: 0803423

MONEY MARKET SAVINGS**Account Summary Information**

Statement Period 10/30/2010 - 11/30/2010	Statement Beginning Balance	32,806.35
Number of Deposits/Credits 1	Amount of Deposits/Credits	.50
Number of Checks 0	Amount of Checks	.00
Number of Other Debits 6	Amount of Other Debits	32,830.85
	Statement Ending Balance	24.00-
Number of Enclosures 0	Service Charge	24.00

Interest Information

Amount of Interest Paid .50	Interest Paid Year-to-Date	22.51
Annual Percentage Yield Earned .05%		

Deposits and Credits

Customer Led Reference	Amount	Description	Bank Refer
2	.50	INTEREST PAID ON 11 DAYS AVERAGE COLLECTED BALANCE OF \$32,806.35	09840

Withdrawals and Debits**or Debits**

Customer Led Reference	Amount	Description	Bank Refer
2	32,806.85	Miscellaneous Debit Adjustment 1-851562080	02460
0	10.00	Service Charge	
0	2.00	PHOTOCOPY/DOCUMENT IMAGE	09939
0	2.00	PHOTOCOPY/DOCUMENT IMAGE	09939
0	5.00	STATEMENT ACTIVITY PRINT	09939
0	5.00	STATEMENT ACTIVITY PRINT	09939

Daily Balances

e	Ledger Balance	Collected Balance	Rate	Date	Ledger Balance	Collected Balance	R
29	32,806.35	32,806.35	.050	11/30	24.00-	24.00-	.05
12	.00	.00	.050				

Bank of America

CUSTOMER CONNECTION
BANK OF AMERICA, N.A.
DALLAS, TEXAS 75283-2406

Account Number 4437551607
01 01 148 06 M0000 E# 0
Last Statement: NEW ACCOUNT
This Statement: 11/30/2010

ESTATE OF
WAREHOUSE 86, LLC, DEBTOR
KIMBERLY LENTZ - TRUSTEE
08-03423
2012 23RD AVENUE
GULFPORT MS 39502

Customer Service
1-800-342-7722

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Bankruptcy Case Number: 0803423

SPECIAL MARKETS MMS INVESTMENT ACCOUNT

Account Summary Information

Statement Period 00/00/0000 - 11/30/2010	Statement Beginning Balance	.00
Number of Deposits/Credits 2	Amount of Deposits/Credits	32,807.26
Number of Checks 0	Amount of Checks	.00
Number of Other Debits 1	Amount of Other Debits	10,000.00
	Statement Ending Balance	22,807.26
Number of Enclosures 0	Service Charge	.00

Interest Information

Amount of Interest Paid .41	Interest Paid Year-to-Date	.41
Annual Percentage Yield Earned .03%		

Deposits and Credits

Date Posted	Customer Reference	Amount	Description	Bank Reference
11/12		32,806.85	1-851562080 :	02460001538
11/30		.41	INTEREST PAID ON 21 DAYS	09840020440
			AVERAGE COLLECTED BALANCE OF \$23,491.91	

Withdrawals and Debits

Other Debits

Date Posted	Customer Reference	Amount	Description	Bank Reference
11/18		10,000.00	04437551607->04437551623	09925000322

Daily Balances

Date	Ledger Balance	Collected Balance	Rate	Date	Ledger Balance	Collected Balance	Rate
00/00	.00	.00	.030	11/12	32,806.85	32,806.85	.030
11/09	.00	.00	.000	11/18	22,806.85	22,806.85	.030
11/10	.00	.00	.030	11/30	22,807.26	22,807.26	.030

Bank of America

HH

CUSTOMER CONNECTION
BANK OF AMERICA, N.A.
DALLAS, TEXAS 75283-2406

Account Number 4437551623
01 01 148 06 M0000 E# 1
Last Statement: NEW ACCOUNT
This Statement: 11/30/2010

Customer Service

1-800-342-7722

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Bankruptcy Case Number: 0803423

ESTATE OF
WAREHOUSE 86, LLC, DEBTOR
KIMBERLY LENTZ - TRUSTEE
08-03423
2012 23RD AVENUE
GULFPORT MS 39502

SPECIAL MARKETS CHECKING ACCOUNT**Account Summary Information**

Statement Period 00/00/0000 - 11/30/2010	Statement Beginning Balance	.00
Number of Deposits/Credits 1	Amount of Deposits/Credits	10,000.00
Number of Checks 1	Amount of Checks	10,000.00
Number of Other Debits 0	Amount of Other Debits	.00
	Statement Ending Balance	.00
Number of Enclosures 1	Service Charge	.00

Deposits and Credits

Date Posted	Customer Reference	Amount	Description	Bank Reference
11/18		10,000.00	04437551607->04437551623	09925000321

Withdrawals and Debits**Checks**

Check Number	Amount	Date Posted	Bank Reference	Check Number	Amount	Date Posted	Bank Reference
1001	10,000.00	11/29	5312734845				

Daily Balances

Date	Ledger Balance	Collected Balance	Date	Ledger Balance	Collected Balance
00/00	.00	.00	11/29	.00	.00
11/17	.00	.00	11/30	.00	.00
11/18	10,000.00	10,000.00			

441019993
11/30/2010
5312734845

This is a LEGAL COPY of your check. You can use it the same way you would use the original check

9409313
1
2240
00002-00481

010100000251 11/29/2010
5312734845

KIMBERLY R. LENTZ
2012 23RD AVENUE
GULFPORT, MISSISSIPPI 39501

2426390
PAY TO THE ORDER OF

ERIC EHRENSTEN
183 LAUREL LANE
GERMANTOWN, TN 38139

BANK OF AMERICA, N.A.

CHECK NUMBER
1001

INSURANCE PROCEEDS FOR OTHERS


DATE 11/18/2010 AMOUNT *****10,000.00

CASE NUMBER	ESTATE OF
08-03423	Debtor: WAREHOUSE LLC 86

Ten Thousand Dollars And 00/100
[Signature]
RECEIVED BY SIGNATURE IN ASSOCIATION WITH THIS CHECK VOID WITHIN 90 DAYS

001001 11100001 4437551823

001001 4437551823 0001000000

1/29/10	
001-670-1417	
5485227ES	
0102/62/11 >520000111<	
0046528-58541	
DeRosier, J. A. S. 4.1k + 7	
	

↓ Do not endorse or write below this line ↓